UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

INTERNATIONAL UNION, UNITED AUTOMOBILE AEROSPACE AND AGRICULTURAL WORKERS OF AMERICA, UAW, and its LOCAL 1402,

and

RONALD CLAPP, ROBERT RIETVELD, ANN SKILES, JOHN CHESTER, GEORGE KLEIS, DALE LAMPEN, CHARLES WILLIS and PHILIP SULLVAN as individuals, on behalf of themselves and all persons similarly situated,

Plaintiffs,

v.

HYDRO AUTOMOTIVE STRUCTURES NORTH AMERICA, INC., HYDRO ALUMINUM ADRIAN, INC., and HYDRO AUTOMOTOIVE STRUCTURES NORTH AMERICA, INC. WELFARE BENEFIT PLAN FOR UNION EMPLOYEES.

Defendants.

Case Nos. 1:11-cv-28 and 1:12-cv-324

Hon. Robert J. Jonker

FIRST AMENDED SETTLEMENT AGREEMENT

I. INTRODUCTION

A. Summary of Settlement.

This First Amended "Settlement Agreement" is dated _____, 2015 (the "Signature Date"), and is made and entered into by and among Hydro Aluminum Adrian, Inc., Hydro Automotive Structures North America, Inc., Hydro Automotive Structures North America, Inc. Welfare Benefit Plan for Union Employees, Sapa Precision Tubing, and Sapa AS (collectively "Hydro"), by and through its attorneys; the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, by and through its attorneys, and its Local 1402 (collectively, the "UAW"); and Ronald Clapp, Ann Skiles, John Chester, Robert Rietveld, Charles Willis, Dale Lampen, and George Kleis (collectively, the

"Class Representatives"), on behalf of themselves and the other Class Members,[1] by and through Class Counsel, in the class actions of *Local 1402 International Union United Automobile, Aerospace, and Agricultural Workers of America, et al. v. Hydro Automotive Structures North America, Inc , et al* , Case Nos. 1:11-cv-28 and 1:12-cv-324 (pending in the United States District Court for the Western Division of Michigan, Southern Division) (the "Hydro Litigation"). This Settlement Agreement shall apply to the following:

(i) Class Members;
(ii) Class Representatives;
(iii) the UAW; and
(iv) Hydro.

With regard to Hydro, the UAW, Class Representatives, and the Class Members, this Settlement Agreement resolves and settles any and all claims of the Class Representatives, Class Members, the UAW, and Hydro that arise in connection with the Hydro Litigation or that could have been asserted in the Hydro Litigation concerning Retiree Medical Benefits or health care benefits. This Settlement Agreement also resolves and settles any and all claims concerning Retiree Medical Benefits or health care benefits that the Class Representatives, Class Members, and UAW threatened in connection with a potential third lawsuit, known as *Hydro III*.

This Settlement Agreement is subject to approval by the Court, and the parties shall request that the Court incorporate the entirety of this Settlement Agreement in the Approval Order. In the event of an inconsistency between the body of this Settlement Agreement and the Appendix A hereto, the body of this Settlement Agreement shall control, unless explicitly stated otherwise in this Settlement Agreement.

This Settlement Agreement implements and ratifies the settlement reached at the February 26, 2014 Settlement Conference and confirmed on the record at that time. (Transcript of Settlement Conference, *Hydro I* Docket No. 314; *Hydro II* Docket No. 181.) As stated and confirmed at the Settlement Conference, the settlement's primary bases are as follows:

(i) the resolution and settlement of all claims in the Hydro Litigation;

(ii) the resolution and settlement of all claims in the threatened *Hydro III* litigation;

(iii) Hydro shall pay $315,000 to a trust account, maintained by Class Counsel, which shall be distributed as set forth in Appendix A;

(iv) Effective March 1, 2014, Hydro shall pay the full premium for prescription drug insurance under the Hydro Plan coverage for Pre-November 8, 1990 Class Members who remain enrolled or become re-enrolled in the Hydro Plan;

(v) Hydro shall continue medical and hospitalization insurance and prescription drug insurance ("Retiree Medical Benefits") under the Hydro Plan at the current levels of coverage for the lives of the Pre-November 8, 1990 Class Members who

[1] All capitalized terms are defined in Section 1 and in the body of this Settlement Agreement.

remain enrolled or become re-enrolled in the Hydro Plan, subject to their payment of 50% of the cost of continued medical and hospitalization insurance;

(vi) Hydro shall allow Pre-November 8, 1990 Class Members who left the Hydro Plan after June 2006 the one-time opportunity to re-enroll in the Hydro Plan;

(vii) Effective March 1, 2014, Hydro shall pay Post-November 8, 1990 Class Members who are Medicare Eligible $110 per month for life or, in lieu of any monthly payments, a lump sum payment of $11,500, at each such Class Member's one-time and irrevocable option;

(viii) Effective March 1, 2014, Hydro shall pay Post-November 8, 1990 Class Members who are not Medicare Eligible $160 per month through the month in which they become Medicare Eligible, at which time Hydro shall then pay $110 per month for life; or a lump sum payment of $13,000, at each such Class Member's one-time and irrevocable option;

(ix) Effective March 1, 2014, Hydro shall pay the Eligibles Class Members who are Medicare Eligible $72 per month or, in lieu of any monthly payments, a lump sum payment of $7,500, at each such Class Member's one-time and irrevocable option;

(x) Effective March 1, 2014, Hydro shall pay the Eligibles Class Members who are not Medicare Eligible $95 per month through the month in which they become Medicare Eligible, at which time Hydro shall then pay $72 per month for life; or, in lieu of any monthly payments, a lump sum payment of $10,000, at each such Class Member's one-time and irrevocable option; and

(xi) Hydro shall pay Class Counsel's attorney fees for 850 hours at $425 per hour, for a total payment of $361,250.

B. Definitions

Admission. The term "Admission" shall mean any statement, whether written or oral, any act or conduct, or any failure to act, that could be used (whether pursuant to Fed. R. Evid. 801(d)(2) or 804(b)(3); a similar rule or standard under applicable law; the doctrines of waiver or estoppel; other rule, law, doctrine or practice; or otherwise) as evidence in a proceeding of proof of agreement with another party's position or proof of adoption of, or acquiescence to, a position that is contrary to the interest of the party making such statement, taking such action or failing to act.

Approval Order. The term "Approval Order" shall mean an order or judgment, or both, obtained from the Court approving and incorporating this Settlement Agreement and the requirements of the Settlement Agreement in all respects.

Class Counsel. The term "Class Counsel" shall mean the law firm of Pinsky, Smith, Fayette & Kennedy, LLP, or its successor.

Class Members or Class. The term "Class Members" or "Class" shall mean all persons who are:

(i) In *Hydro I*, (1) all former Hydro Automotive Structures North America, Inc., UAW represented bargaining unit employees at the Holland, Michigan facility who were both (a) retired on or after November 8, 1990, and by April 1, 2009, but not former employees receiving deferred vested pension benefits, and (b) enrolled or eligible to be enrolled in the retiree healthcare plan at any time on or after June 1, 2006; and (2) the spouses and surviving spouses and eligible dependents of the same. Any employee, retired employee, spouse, surviving spouse or eligible dependent satisfying either (1) or (2) of this subsection must also have been alive on March 1, 2014. ("Post-November 8, 1990 Class Members").

(ii) In *Hydro II*, (1) all Hydro Automotive Structures North America, Inc., UAW represented bargaining unit employees at the Holland, Michigan facility who were both (a) retired, or were eligible to retire, by April 1, 2009, but not former employees now receiving deferred vested pension benefits, and (b) enrolled or eligible to be enrolled in the retiree healthcare plan at any time on or after June 1, 2006; and (2) the spouses and surviving spouses and eligible dependents of the same. If the employee retired on or after November 8, 1990, the employee, retired employee, spouse, surviving spouse or eligible dependent satisfying either (1) or (2) of this subsection must also have been alive on March 1, 2014.

a. *Hydro II* Class Members who retired prior to November 8, 1990, and their spouses and surviving spouses and eligible dependents shall be defined as "Pre-1990 November 8, 1990 Class Members."

b. *Hydro II* Class Members who retired on or after November 8, 1990, and the spouses and eligible dependents of the same shall be defined, as in *Hydro I*, as "Post-November 8, 1990, Class Members.

c. "Eligibles Class Members" shall be defined as Class Members in *Hydro II* who (i) were eligible to retire by April 1, 2009, but did not; (ii) retired by April 1, 2009, elected retiree insurance coverage from Hydro, and then later declined coverage, with the last day of coverage being between June 1, 2006 and November 30, 2010; or (iii) retired between June 1, 2006 and November 30, 2010, and declined retiree insurance coverage from Hydro at the time of retirement, and the spouses, and surviving spouses and eligible dependents of the same.

The parties have worked together to create a comprehensive list of all Class Members and their current addresses. Prior to issuing the Notice to Class Members, the parties shall supplement this Settlement Agreement with a Class Member List to be included in Appendix B. This Class Member List shall be complete and accurate to the best of the parties' information and belief as of the time the parties file Appendix B with the Court.

For purposes of determining who is an "eligible dependent" Class Member, the parties shall refer to Section 3: Dependent Requirements, of the Michigan Group Business Eligibility, attached at Appendix C to this First Amended Settlement Agreement.

Class Representatives. The term "Class Representatives" is defined in paragraph I.A. of this Settlement Agreement.

Court. The term "Court" shall mean the United States District Court for the Western District of Michigan, Southern Division, before which the Hydro Litigation is currently pending.

Dismissal Date. The term "Dismissal Date" is defined in Section VIII.D., of this Settlement Agreement.

ERISA. The term "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

Fairness Hearing. The term "Fairness Hearing" is defined in Section VIII.A. of this Settlement Agreement.

Final Effective Date. The term "Final Effective Date" shall mean the first date after any appeals from or other challenges to the Approval Order have been exhausted or resolved or the time periods for filing such appeal(s) or challenge(s) have expired.

Hydro. The term "Hydro" is defined in Section I.A. of this Settlement Agreement.

Hydro Entity. The term "Hydro Entity" shall mean any parent, subsidiary or affiliate of Hydro.

Hydro Litigation. The term "Hydro Litigation" is defined in paragraph I.A. of this Settlement Agreement.

(i) ***Hydro I.*** The term "*Hydro I*" shall mean Case No. 1:11-cv-28 filed by the UAW and certain Class Representatives on behalf of Post-November 8, 1990 Class Members and which brought claims against Hydro.

(ii) ***Hydro II.*** The term "*Hydro II*" shall mean Case No. 1:12-cv-324 filed by the UAW and certain Class Representatives which brought claims against Hydro on behalf of Pre-November 8, 1990 Class Members, Post-November 8, 1990 Class Members, and Eligibles Class Member.

(iii) ***Hydro III***. The term "*Hydro III*" shall mean litigation threatened against Hydro by the UAW and certain Class Representatives on behalf Pre-November 8, 1990 Class Members which would have brought claims against Hydro.

Hydro Plan. The term "Hydro Plan" shall mean that certain employee welfare benefit plan sponsored by Hydro for the Pre-November 8, 1990 Class Members which provides Retiree Medical Benefits under the terms and conditions set forth in Section II.A. below.

Notice Order. The term "Notice Order" is defined in Section VIII.A. of this Settlement Agreement.

Medicare Eligible. The term "Medicare Eligible" shall mean the following persons:

(i) Class Members age 65 years or older; and

(ii) Class Members under age 65 who are eligible for Medicare.

Retiree Medical Benefits. The term "Retiree Medical Benefits" shall mean post-retirement medical benefits (including medical, hospitalization, and prescription drug insurance) provided under the terms of the Hydro Plan.

Settlement Actions. The term "Settlement Actions" is defined in Section VIII.L. of this Settlement Agreement.

Settlement Agreement. The term "Settlement Agreement" is defined in paragraph I.A. of this Settlement Agreement.

Signature Date. The term "Signature Date" is defined in paragraph I.A. of this Settlement Agreement.

UAW. The term "UAW" is defined in paragraph I.A. of this Settlement Agreement.

UAW Releasors. The term "UAW Releasors" shall mean the UAW, the Class Representatives, the Class Members, Class Counsel, and anyone claiming on behalf of, through, or under them, by way of subrogation or otherwise.

C. Factual Investigation, Legal Inquiry, Litigation, Discovery and Decision to Settle.

During the events leading up to the Hydro Litigation, Hydro claimed that it had the right unilaterally to terminate the health care benefits for Post-November 8, 1990 Class Members and it exercised that right in January 2011. The UAW Releasors have asserted that all Class Members are entitled to lifetime health care benefits and that Hydro did not have the right unilaterally to terminate these benefits. Hydro denied these claims.

On behalf of the UAW and Class Members, Class Counsel conducted a substantial factual investigation and legal inquiry as a part of the Hydro Litigation and prior to entering into this Settlement Agreement. This included, among other things, reviewing financial information relating to the Holland facility; reviewing and analyzing collective bargaining agreements and relevant health care plan documents; interviewing witnesses and potential witnesses and reviewing materials on Hydro's health care costs. Class Counsel also thoroughly investigated the law applicable to the Class Members' claims and has done so considering the collective bargaining agreements and health care plan documents governing these claims. Class Counsel engaged in extensive discovery, including production and review of thousands of pages of documents and participated in nearly twenty depositions at various locations in Michigan and other states. Hydro filed three separate motions for summary judgment. The UAW Releasors filed two. The Court denied all motions for summary judgment and the matter was pending trial on the merits.

Prior to trial, the parties attempted to settle this matter through mediation with Mediator Bruce Neckers on October 26, 2011, with Magistrate Judge Hugh Brenneman on June 28, 2012 and finally, again with Magistrate Brenneman on February 26, 2014, at which a tentative settlement was reached.

In determining to resolve this matter as set forth herein, Class Counsel, with the assistance of several Class Representatives, examined the benefits and the certainty to be obtained under the proposed Settlement Agreement for Class Members, who are aging, and considered the costs, risks and delays associated with the continued prosecution of complex and time-consuming litigation, including the likely appeals of any rulings in favor of any party. Class Counsel believes that, in consideration of all the circumstances, the proposed settlement embodied in this Settlement Agreement is fair, reasonable, adequate and in the best interests of the Class Members. Class Counsel participated in the negotiation of this Settlement Agreement.

II. TERMS OF THE SETTLEMENT AGREEMENT FOR PRE-NOVEMBER 8, 1990 CLASS MEMBERS

This Section II. sets forth the benefits provided to Pre-November 8, 1990 Class Members under the terms of this Settlement Agreement.

A. **Lifetime Provision of Retiree Medical Benefits for Pre-November 8, 1990 Class Members Enrolled in the Hydro Plan on March 1, 2014**. Hydro shall provide lifetime medical insurance, hospitalization insurance, and prescription drug insurance ("Retiree Medical Benefits") under the Hydro Plan to each Pre-November 8, 1990 Class Member who was enrolled in the Hydro Plan on March 1, 2014. Such insurance coverage shall be maintained at the current levels of coverage of the Hydro Plan. Such Pre-November 8, 1990 Class Members shall pay 50% of the cost for medical and hospitalization insurance each month, and Hydro shall pay the other 50% as well as the full cost for prescription drug insurance beginning March 1, 2014. Hydro may terminate insurance coverage for any Pre-November 8, 1990 Class Member who does not timely pay his or her share of the cost for such insurance coverage. The Hydro Plan's Summary of Benefits and Coverage is attached to this First Amended Settlement Agreement at Appendix C. Notwithstanding any language to the contrary in the attached Summary of Benefits

and Coverage, Pre-November 8, 1990 Class Members shall receive lifetime Retiree Medical Benefits as provided in this First Amended Settlement Agreement.

B. **Opportunity for Re-Enrollment for Pre-November 8, 1990 Class Members Who Dropped or Declined Coverage.** Hydro shall allow Pre-November 8, 1990 Class Members who declined coverage in the Hydro Plan after June 2006 the one-time opportunity to re-enroll in the Hydro Plan. Re-enrolled Pre-November 8, 1990 Class Members shall receive medical, hospitalization, and prescription drug insurance ("Retiree Medical Benefits") under the Hydro Plan under the same terms and conditions as described in Section II.A.

Within fourteen (14) days of the Approval Order, Hydro shall give notice by mail to each Pre-November 8, 1990 Class Member who qualifies for re-enrollment under Section II.B, above. The notice will advise of (1) the right to re-enroll under Section II.B, above and (2) the current cost. The mailing will include a form for indicating acceptance, and a self-addressed stamped envelope for returning the form. The notice and the acceptance form shall advise each Pre-November 8, 1990 Class Member that he or she shall have sixty (60) days to respond or shall be barred from re-enrolling. Class Counsel shall approve the forms. Re-enrollment shall occur effective the first day of the first month after the Class Member submits the acceptance form.

C. **Reimbursement of Premiums.** Hydro shall pay for premium reimbursement for Pre-November 8, 1990 Class Members as set forth in Appendix A. With respect to Appendix A, Hydro's obligations shall be limited to the timely payment to the trust account as provided in Section VI of the Settlement Agreement. Hydro shall have no responsibility or liability with respect to how the trust account monies are distributed.

D. **No Other Liability or Obligation of Hydro.** Except as expressly provided in this Settlement Agreement, Hydro, the Hydro Entities, the Hydro Plan, and any other Hydro sponsored or affiliated benefit plan shall have no liability or responsibility whatsoever for providing, funding or contributing to Retiree Medical Benefits for Pre-November 8, 1990 Class Members.

III. TERMS OF THE SETTLEMENT AGREEMENT FOR POST-NOVEMBER 8, 1990 CLASS MEMBERS

A. Monthly Payments or Lump Sums To Post-November 8, 1990 Class Members.

1. **Post-November 8, 1990 Class Members Who Are Medicare Eligible as of March 1, 2014.** Hydro shall pay to each Post-November 8, 1990 Class Member who was enrolled in Hydro's retiree insurance coverage as of November 1, 2010, and who was Medicare Eligible as of March 1, 2014, either $110 per month for life or, in lieu of any monthly payments, a lump sum payment of $11,500. Class Members who elect the monthly payments shall receive the monthly payments beginning March 1, 2014 and continuing through the month in which they die. The personal representative, family members, or other persons responsible for the

administration of a deceased Class Member's estate shall immediately inform Hydro in writing of the Class Member's death and shall promptly return to Hydro any monthly payments which the Class Member receives for any month after the month in which the Class Member dies.

2. **Post-November 8, 1990 Class Members Who Are Not Medicare Eligible as of March 1, 2014.** Hydro shall pay to each Post-November 8, 1990 Class Member who was enrolled in Hydro's retiree insurance coverage as of November 1, 2010, and who was not Medicare Eligible as of March 1, 2014, either $160 per month through the month in which the Class Member becomes Medicare Eligible and then $110 per month through the month in which the Class Member dies, or, in lieu of any monthly payments, a lump sum payment of $13,000. Class Members who elect the monthly payments shall receive the monthly payments beginning March 1, 2014 and continuing through the month in which they die, with the amount of the monthly payment adjusted to the level set forth in Section III.A.1. as indicated above, in the month after the Class Member becomes Medicare Eligible. The personal representative, family members, or other persons responsible for the administration of a deceased Class Member's estate shall immediately inform Hydro in writing of the Class Member's death and shall promptly return to Hydro any monthly payments which the Class Member receives for any month after the month in which the Class Member dies.

3. **Procedure for Determining Election of Monthly Payments or Lump Sum.**

a.) **Notice of Election.** Within fourteen (14) days of the Approval Order, Hydro shall give notice by mail to each Class Member who qualifies to participate in the benefits set forth in this Section III.A. of the right (1) to elect either the monthly payments or the lump sum payment and (2) the amounts of the same. The mailing shall include an election form for indicating the Class Member's choice and a self-addressed stamped envelope for returning the form. The notice and the election form shall each advise the Class Member that if no response is received within sixty (60) days, the Class Member shall be deemed to have elected, in each case, the lump sum payment option.

Commencement of the monthly payment (including payment of any retroactive amounts due) or payment of the lump sum, whichever is applicable, shall occur within thirty (30) days after the date on which the election forms are due, if no appeal of the Approval Order is filed. If an appeal of the Approval Order is filed, commencement of the monthly payment (including payment of any retroactive amounts due) or payment of the lump sum, whichever is applicable, shall occur within thirty (30) days after the Final Effective Date.

b.) **Default Election.** In the event no election is made within the sixty (60) day period referred to above, the Class Member shall be deemed to have elected the lump sum payment.

B. No Other Liability or Obligation of Hydro. Except as expressly provided in this Settlement Agreement, Hydro, the Hydro Entities, the Hydro Plan, and any other Hydro sponsored or affiliated benefit plan shall have no liability or responsibility whatsoever for providing, funding or contributing to health care benefits for Post-November 8, 1990 Class Members.

IV. TERMS OF THE SETTLEMENT AGREEMENT FOR ELIGIBLES CLASS MEMBERS.

A. Monthly Payments or Lump Sums For Eligibles Class Members.

1. **Eligibles Class Members Who Are Medicare Eligible As of March 1, 2014.** Hydro shall pay to each Eligibles Class Member who is Medicare Eligible as of March 1, 2014, either $72 per month for life or, in lieu of any monthly payments, a lump sum payment of $7,500. Eligibles Class Members who elect the monthly payments shall receive the monthly payments beginning March 1, 2014 and continuing through the month in which they die. The personal representative, family members, or other persons responsible for the administration of a deceased Eligibles Class Member's estate shall immediately inform Hydro in writing of the Eligibles Class Member's death and shall promptly return to Hydro any monthly payments which the Eligibles Class Member receives for any month after the month in which the Eligibles Class Member dies.

2. **Eligibles Class Members Who Are Not Medicare Eligible As of March 1, 2014**. Hydro shall pay to each Eligibles Class Member who is not Medicare Eligible as of March 1, 2014, either $95 per month through the month in which the Eligibles Class Member becomes Medicare Eligible and then $72 per month through the month in which the Eligibles Class Member dies, or, in lieu of any monthly payments, a lump sum payment of $10,000. Eligibles Class Members who elect the monthly payments shall receive the monthly stipend beginning March 1, 2014 and continuing through the month in which they die, with the amount of the monthly payment adjusted, as indicated in Section IV.A.1 above, in the month after the Eligibles Class Member becomes Medicare Eligible. The personal representative, family members, or other persons responsible for the administration of a deceased Eligibles Class Member's estate shall immediately inform Hydro in writing of the Eligibles Class Member's death and shall promptly return to Hydro any monthly payments which the

Eligibles Class Member receives for any month after the month in which the Eligibles Class Member dies.

3. **Procedure for Determining Election of Monthly Payments or Lump Sum.**

a.) **Notice of Election.** Within fourteen (14) days of the Approval Order, Hydro shall give notice by mail to each Class Member who qualifies to participate in the benefits set forth in this Section IV.A. of the right (1) to elect either the monthly stipend or the lump sum payment and (2) the amounts of the same. The mailing shall include an election form for indicating the Class Member's choice and a self-addressed stamped envelope for returning the form. The Notice and the election form shall each advise the Class Member that if no response is received within sixty (60) days, the Class Member will be deemed to have elected, in each case, the lump sum payment option.

Commencement of the monthly payment (including payment of any retroactive amounts due) or payment of the lump sum, whichever is applicable, shall occur within thirty (30) days after the date on which the election forms are due, if no appeal of the Approval Order is filed. If an appeal of the Approval Order is filed, commencement of the monthly payment (including payment of any retroactive amounts due) or payment of the lump sum, whichever is applicable, shall occur within thirty (30) days after the Final Effective Date.

b.) **Default Election.** In the event no election is made within the sixty (60) day period referenced above, the Class Member shall be deemed to have elected the lump sum payment.

B. No Other Liability or Obligation of Hydro. Except as expressly provided in this Settlement Agreement, Hydro, the Hydro Entities, the Hydro Plan, and any other Hydro sponsored or affiliated benefit plan shall have no liability or responsibility whatsoever for providing, funding or contributing to health care benefits for Eligibles Class Members.

V. PAYMENTS OF STIPENDS TO CLASS REPRESENTATIVES.

Stipends to Class Representatives for their service shall be paid as set forth in Appendix A. With respect to Appendix A, Hydro's obligations shall be limited to the timely payment to the trust account as provided in this Section VI of the Settlement Agreement. Hydro shall have no responsibility or liability with respect to how the trust account monies are distributed.

VI. PAYMENT OF $315,000 BY HYDRO.

Hydro shall pay $315,000 to a trust account maintained by Class Counsel within fourteen (14) days after the Final Effective Date, which shall be distributed as set forth in Appendix A. With respect to Appendix A, Hydro's obligations shall be limited to the timely payment to the trust account as provided in this Section VI of the Settlement Agreement. Hydro shall have no responsibility or liability with respect to how the trust account monies are distributed.

VII. ATTORNEY FEES

A. **Payments to Class Counsel.** Hydro shall pay Class Counsel for 850 hours of attorney time at $425 per hour, for a total payment of $361,250 in attorney fees. Hydro shall make this payment within sixty (60) days after the Final Effective Date. All parties shall bear their own fees and costs in the preparation and effectuation of the Settlement Agreement.

B. Approval of Payments. Approval of this payment of attorney fees shall be included in the Approval Order, which shall reflect that such payments, and any payments made pursuant to Appendix A that involves reimbursement to the UAW, are made pursuant to LMRA §302(c)(2), 29 USC §186(c)(2).

VIII. APPROVAL ORDER, DISMISSAL, RELEASES, AND CERTAIN RELATED MATTERS

A. Submission of the Settlement Agreement and Proposed Notice Order. The parties shall submit this Settlement Agreement to the Court seeking entry of the Approval Order as soon as possible. The parties shall also seek from the Court a preliminary order ("Notice Order") providing that notice of the hearing on this Settlement Agreement ("Fairness Hearing") shall be given at Hydro's expense to Class Members by mailing a copy of the notice contemplated in the proposed Notice Order to each Class Member. Until entry of the Approval Order, copies of this Settlement Agreement shall also be made available for inspection by Class Members at the Court, at the UAW offices in Grand Rapids, Michigan, and the offices of Class Counsel.

B. Joint Cooperation to Obtain Approval Order. Hydro and the UAW Releasors shall cooperate in the preparation of all documents necessary to obtain the entry of the Approval Order and oppose any appeals therefrom or objections thereto. To the extent appropriate, Hydro shall provide the initial drafts of such documents.

C. Consent To Entry Of Approval Order. In consideration of Hydro's entry into this Settlement Agreement and the other obligations of Hydro contained herein, the UAW Releasors hereby consent to entry of the Approval Order, which shall be binding upon the UAW Releasors pursuant to Fed. R. Civ. P. 23(b)(2).

D. **Approval Order.** The Approval Order must be entered by the Court in the Hydro Litigation approving this Settlement Agreement in all respects and as to all parties, including Hydro and the UAW Releasors. Such Approval Order shall contain the conditions set forth in this Settlement Agreement. The Approval Order shall be acceptable in form and substance to Hydro, the UAW and Class Counsel. This condition shall be deemed to have failed upon issuance of an order disapproving this Settlement Agreement or upon the issuance of an order approving only a portion of this Settlement Agreement but disapproving other portions, unless Hydro, the UAW and Class Counsel agree otherwise in writing.

E. **Conditions.** This Settlement Agreement is conditioned upon the occurrence or resolution of the conditions described in Subsection D of this Section VIII. The failure of Subsection D shall render this Settlement Agreement voidable at the discretion of any party.

F. **Dismissal.** Following entry of the Approval Order and immediately upon the expiration of 180 days after the Final Effective Date, and payment of the amounts set forth in VI. and VII.A., the UAW Releasors shall dismiss with prejudice the Hydro Litigation ("Dismissal Date").

G. **Release of Hydro By UAW Releasors.** As of the Dismissal Date, the UAW Releasors release and forever discharge Hydro; each Hydro Entity; each of Hydro's current and former officers, directors, employees and agents; the Hydro Plan and its fiduciaries, agents and administrators; and any other plans sponsored by Hydro and their fiduciaries, agents and administrators; with respect to any and all rights, claims or causes of action that any UAW Releasor had, has or hereafter may have, whether known or unknown, suspected or unsuspected, arising out of, based upon or otherwise related to (i) any of the claims for health care benefits asserted, or that could have been asserted, in the Hydro Litigation and the terms of this Settlement Agreement; (ii) claims which were threatened to be raised through the filing of *Hydro III*; (iii) matters addressed in this Settlement Agreement or the negotiation thereof; (iv) the provision of Retiree Medical Benefits to Pre-November 8, 1990 Class Members; (v) any claims that this Settlement Agreement is not in compliance with applicable laws and regulations; and (vi) any action taken to carry out this Settlement Agreement in accordance with this Settlement Agreement and applicable law; provided, however, the following claims are not released:

(i) any claim for ERISA pension benefits under any qualified pension plan applicable to any Class Member;

(ii) any claim for life insurance benefits applicable to any Class Member;

(iii) Any obligations or claims arising from the terms of this Settlement Agreement; and

(iv) any claims or obligations by Eligibles Class Members other than those expressly addressed by this Settlement Agreement.

H. **Release of UAW Releasors by UAW Releasors.** As of the Final Effective Date, each UAW Releasor releases and forever discharges each other UAW Releasor and each of the

UAW Releasor's current and former officers, employees and agents, and each of them shall be forever released and discharged with respect to any and all rights, claims or causes of action that such UAW Releasor had, has or hereafter may have, whether known or unknown, suspected or unsuspected, arising out of or based upon or otherwise related to (i) any of the claims for health care benefits asserted, or that could have been asserted, in connection with the Hydro Litigation and the terms of this Settlement Agreement; (ii) claims which were threatened to be raised through the filing of *Hydro III*; (iii) any claims that this Settlement Agreement or any document referred to or contemplated herein is not in compliance with applicable laws and regulations; (iv) any action taken to carry out this Settlement Agreement in accordance with the terms of this Settlement Agreement and applicable law; and (v) matters addressed in this Settlement Agreement or the negotiation thereof.

I. Release of the UAW Releasors By Hydro. As of the Final Effective Date, Hydro releases and forever discharges the UAW Releasors, as well as each of the UAW's current and former officers, employees and agents from any and all claims, demands, liabilities, causes of action or other obligations of whatever nature, including attorney fees, whether known or unknown, suspected or unsuspected, arising out of or based upon or otherwise related to (i) any of the claims for health care benefits asserted, or that could have been asserted, in connection with the Hydro Litigation and the terms of this Settlement Agreement; (ii) any claims that this Settlement Agreement is not in compliance with applicable laws and regulations; (iii) matters addressed in this Settlement Agreement or the negotiation thereof; (iv) the provision of, Retiree Medical Benefits to the Pre-November 8, 1990 Class Members addressed in this Settlement Agreement; and (v) any action taken to carry out this Settlement Agreement in accordance with the terms of this Settlement Agreement and applicable law.

J. No Admission. Neither entering into this Settlement Agreement, nor performing the terms, conditions and requirements of this Settlement Agreement, nor consent to entry of the Approval Order, is, may be construed as or may be used as an Admission by or against Hydro, the Hydro Plan, any Hydro Entity, or the UAW Releasors, as well as the UAW's current and former officers, employees and agents, of any fault, wrongdoing or liability whatsoever.

K. Exclusive Jurisdiction, Enforcement and Dispute Resolution.

1. Exclusive Jurisdiction and Enforcement of Settlement Agreement. The Approval Order shall provide that the Court will retain exclusive jurisdiction to resolve any such disputes concerning the Settlement Agreement. Any controversy or dispute arising out of, relating to or involving the enforcement, implementation, breach, application or interpretation of this Settlement Agreement shall be enforceable only by Hydro and Class Counsel. However, any such controversy or dispute with respect to benefits provided under Section II of this Settlement Agreement to the Pre-November 8, 1990 retirees shall also be enforceable by a Pre-November 8, 1990 Class Member. Further, any controversy or dispute with respect to payments provided under Sections III and IV of this Settlement Agreement shall also be enforceable after the Final Effective Date by a Post-November 8, 1990 Class Member or Eligibles Class Member.

2. **Enforcement of Terms of the Hydro Plan.** Notwithstanding the foregoing, any individual dispute with respect to a Pre-November 8, 1990 Class Member relating solely to benefits provided under the terms of the Hydro Plan shall be resolved in accordance with the applicable procedures of the Hydro Plan, to the extent that resort to such procedures is required. Nothing in this Settlement Agreements precludes Pre-November 8, 1990 Class Members from pursuing appropriate relief regarding any such dispute.

L. No Admission; No Prejudice. Notwithstanding anything to the contrary, whether set forth in this Settlement Agreement, the Approval Order, the Notice Order, any documents filed with the Court in the Hydro Litigation or any other documents; whether provided in the course of or in any manner whatsoever relating to the Hydro Litigation; whether exchanged or provided during negotiations leading to the settlement of the Hydro Litigation or this Settlement Agreement; or whether distributed, otherwise made available to or obtained by any person or organization, including, but not limited to, Hydro employees other than Class Members, Class Members, the UAW or Hydro; the parties acknowledge and agree as follows:

1. **No Admissions By Hydro.** Hydro denies and continues to deny any wrongdoing or legal liability arising out of any of the allegations, claims or contentions made against Hydro in the Hydro Litigation and in the threatened *Hydro III* litigation. Neither any disputes nor discussions that occurred between Hydro and the UAW, Class Counsel or Class Members with respect to health care benefits or entry into this Settlement Agreement; nor this Settlement Agreement; nor any action taken to carry out this Settlement Agreement; nor any Retiree Medical Benefits provided hereunder or during the pendency of the Hydro Litigation, nor any action related in any way to the ongoing administration of such Retiree Medical Benefits or the provision of monthly payments or lump sum payments (collectively, the "Settlement Actions") may be construed as, or may be viewed or used as, an Admission by or against Hydro of any fault, wrongdoing or liability whatsoever concerning the issues addressed by the Hydro Litigation or the threatened *Hydro III* litigation, or as an Admission by Hydro of the validity of any claim or argument made by or on behalf of the UAW Releasors concerning the issues addressed by the Hydro Litigation or the threatened *Hydro III* litigation, including any argument that the health care benefits at issue in the Hydro Litigation or the threatened *Hydro III* litigation are vested or cannot be altered or amended by Hydro. Without limiting in any manner whatsoever the generality of the foregoing, the performance of any Settlement Actions by Hydro may not be construed, viewed or used as an Admission by or against Hydro that it did not have the unilateral right to modify or terminate Retiree Medical Benefits.

2. **No Admissions By UAW Releasors.** Each of the UAW Releasors claim and continue to claim that the allegations, claims and contentions made against Hydro in the Hydro Litigation and the threatened *Hydro III* litigation have merit. Neither any disputes nor discussions between Hydro and Class Counsel or the UAW Releasors with respect to health care benefits or Retiree Medical Benefits or entry into this Settlement Agreement; nor this Settlement Agreement; nor any document referred to or

contemplated herein; nor any Settlement Actions; may be construed as, or may be viewed or used as, an Admission by or against any of the UAW Releasors of any fault, wrongdoing or liability whatsoever concerning the issues addressed by the Hydro Litigation or the threatened *Hydro III* litigation, or of the validity of any claim or argument made by or on behalf of Hydro concerning the issues addressed by the Hydro Litigation, including any claim that Hydro has or had the unilateral right to modify or terminate health care benefits or that health care benefits are not vested. Without limiting in any manner whatsoever the generality of the foregoing, the performance of any Settlement Actions by Class Counsel or any of the UAW Releasors, including, but not limited to, the acceptance of any Retiree Medical Benefits under this Settlement Agreement may not be construed, viewed or used as an Admission by or against the UAW Releasors that Hydro had the unilateral right to modify or terminate Retiree Medical Benefits or that Retiree Medical Benefits were not vested.

3. **No Prejudice**. There has been no ultimate determination by the Court as to the claims made by or against Hydro in the Hydro Litigation or the threatened *Hydro III* litigation. Entering into this Settlement Agreement and performance of any of the Settlement Actions shall not be construed as, or deemed to be evidence of, an Admission by any of the parties hereto and shall not be offered or received in evidence in any action or proceeding against any party hereto in any court, administrative agency or other tribunal or forum for any purpose whatsoever other than to enforce the provisions of this Settlement Agreement or to obtain or seek approval of this Settlement Agreement in accordance with Fed. R. Civ. P. 23 and the Class Action Fairness Act of 2005.

This Settlement Agreement and anything occurring in connection with reaching this Settlement Agreement are without prejudice to Hydro and the UAW Releasors and to any argument or legal position any of them might have, all of which are specifically preserved and reserved. The parties may use this Settlement Agreement to assist in securing the Approval Order. It is intended that Hydro, and the UAW Releasors shall not use this Settlement Agreement, or anything occurring in connection with reaching this Settlement Agreement, as evidence against Hydro, the Hydro Plan, or the UAW Releasors in any circumstance except where the parties are operating under or enforcing this Settlement Agreement or the Approval Order.

M. Duration and Termination of Settlement Agreement.

1. **Duration.** This Settlement Agreement shall remain in effect unless and until terminated in accordance with Section VIII.E. or this Section VIII.M.2 of this Settlement Agreement. If this Settlement Agreement is terminated, the parties shall be restored to their respective positions immediately before execution of this Settlement Agreement except as specifically noted herein.

2. **Termination**. Termination of this Settlement Agreement may occur as follows:

a.) If, prior to the Final Effective Date, the Hydro Litigation is enjoined, stayed, withdrawn, dismissed or otherwise terminated, or if the Approval Order is denied in whole or in material part, either Hydro or Class Counsel acting on behalf of the UAW Releasors may terminate this Settlement Agreement by 30 days' written notice to the other parties.

b.) If an Approval Order satisfactory to the parties, as described in Section VIII.D. of this Settlement Agreement, is entered by the Court and subsequently overturned in whole or in part on appeal or otherwise, either Hydro, or Class Counsel on behalf of the UAW Releasors may terminate this Settlement Agreement upon 30 days' written notice to the other parties.

IX. OTHER PROVISIONS

A. References. References in this Settlement Agreement to "Sections," "Subsections," and "Appendix" refer to the Sections, Subsections and Appendix of this Settlement Agreement unless otherwise specified.

B. Exclusive Jurisdiction. The Court shall, subject to Section VIII.K. of this Settlement Agreement, retain exclusive jurisdiction to resolve any disputes relating to, arising out of or in connection with the enforcement, interpretation or implementation of this Settlement Agreement. Each of the parties hereto expressly and irrevocably submits to the jurisdiction of the Court and expressly waives any argument it may have with respect to venue or forum non conveniens.

C. Entire Agreement. This Settlement Agreement, Appendix and the documents specifically referenced herein constitute the entire agreement among the parties regarding the matters set forth herein, and no representations, warranties or inducements have been made to any party concerning this Settlement Agreement, other than representations, warranties and covenants contained and memorialized in this Settlement Agreement. This Settlement Agreement supersedes any prior understandings, agreements or representations by or among the parties, written or oral, regarding the matters set forth in this Settlement Agreement.

D. Captions. The captions used in this Settlement Agreement are for convenience of reference only and do not constitute a part of this Settlement Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Settlement Agreement, and all provisions of this Settlement Agreement will be enforced and construed as if no captions had been used in this Settlement Agreement.

E. Single Agreement. This Settlement Agreement may be executed in two or more counterparts. All executed counterparts shall be deemed to be one and the same instrument,

provided that counsel for the parties to this Settlement Agreement shall exchange among themselves original signed counterparts.

F. No Assignment. No party to this Settlement Agreement may assign any of its rights hereunder without the prior written consent of the other parties, and any purported assignment in violation of this sentence shall be void. This Settlement Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

G. Promise to Effectuate. Each of Hydro and the UAW Releasors shall do any and all acts and things, and shall execute and deliver any and all documents, as may be reasonably necessary or appropriate to effect the purposes of this Settlement Agreement.

H. Governing Law. This Settlement Agreement shall be construed in accordance with applicable federal laws of the United States of America.

I. Severability. Any provision of this Settlement Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent any provision of this Settlement Agreement is invalid or unenforceable as provided for in this Section IX.I., it shall be replaced by a valid and enforceable provision agreed to by Hydro, the UAW and Class Counsel (which agreement shall not be unreasonably withheld) that preserves the same economic effect for the parties under this Settlement Agreement; provided however, to the extent that such prohibited or unenforceable provision cannot be replaced as contemplated and the consequences of such prohibited or unenforceable provision causes this Settlement Agreement to fail of its essential purpose, then this Settlement Agreement may be voided at the sole discretion of the party seeking the benefit of the prohibited or unenforceable provision. Class Counsel is expressly authorized to take all appropriate action to implement this provision.

J. Holidays or Weekends. In the event that any payment referenced in this Settlement Agreement is due to be made on a weekend or a holiday, the payment shall be made on the first business day following such weekend or holiday.

K. Other Legal Approvals Necessary. In the event that any legal approvals in addition to those already mentioned in this Settlement Agreement are required to effectuate the provisions of this Settlement Agreement, Hydro, and the UAW Releasors shall fully cooperate in securing any such legal approvals.

L. Acknowledgment of Unresolved Tax Issue. The parties acknowledge that as of the date of this First Amended Settlement Agreement, there is an unresolved tax issue under consideration by the Court. The parties agree that resolution of this unresolved issue shall not alter the fundamental fairness of the settlement and shall not cause any party to attempt to set aside this First Amended Settlement Agreement.

M. Notices and Communications. Any notice, request, information or other document to be given under this Settlement Agreement to any of the parties by any other party shall be in writing and delivered personally; or sent by United Parcel Service or other carrier which guarantees next-day delivery; or transmitted by facsimile; or transmitted by e-mail if in an Adobe Acrobat PDF file; or sent by registered or certified mail, postage prepaid; to the addresses set forth below. All such notices and communications shall be effective when delivered by hand; or in the case of registered or certified mail, United Parcel Service or other carrier, upon delivery; or in the case of facsimile or e-mail transmission, when transmitted (provided, however, that any notice or communication transmitted by facsimile or e-mail shall be immediately confirmed by a telephone call to the recipient).

If to the Class Representatives or Class Counsel, addressed to:

Michael L. Fayette, Esq.
Pinsky, Smith, Fayette & Kennedy LLP
146 Monroe Center Street, N.W. - Suite 805
Grand Rapids, Michigan 49503
616.451.8496

If to Hydro, addressed to:

Peter VanderVelde, Esq.
Senior Lawyer, Global Legal Department
Sapa AS
9600 W. Bryn Mawr Avenue, Suite 250
Rosemont, Illinois 60018
847.212.5691
Peter.VanderVelde@sapagroup.com

Anthony R. Comden, Esq.
Miller Johnson
250 Monroe Ave. NW, Suite 800
Grand Rapids, MI 49501-0306
616.831.1757
Comdent@millerjohnson.com

If to UAW, addressed to:

Gerald Kariem, Regional Director
UAW Region 1D
3300 Leonard NE
Grand Rapids, MI 49525-1026
(616) 949-4100

616.831.1757
Comdent@millerjohnson.com

If to UAW, addressed to:

Gerald Kariem, Regional Director
UAW Region 1D
3300 Leonard NE
Grand Rapids, MI 49525-1026
(616) 949-4100

Niraj Ganatra, General Counsel
Legal Department
International Union, UAW
8000 E. Jefferson Ave
Detroit, MI 48212
(313) 926-5216

Each party may substitute a designated recipient upon written notice to the other parties.

IN WITNESS THEREOF, the parties hereto have caused this Settlement Agreement to be executed by themselves or their duly authorized attorneys.

AGREED:

RONALD CLAPP, ANN SKILES, JOHN CHESTER, ROBERT RIETVELD, CHARLES WILLIS, DALE LAMPEN, GEORGE KLEIS FOR THEMSELVESAND ON BEHALF OF THE CLASS

By: _____ Date: Feb 16, 2015
Michael L. Fayette
Pinsky, Smith, Fayette & Kennedy LLP
146 Monroe Center Street, N.W.
Suite 805
Grand Rapids, Michigan 49503
616.451.8496

By: Ronald Clapp Date: 1-14-2015
Ronald Clapp
3701 Byron Road
Hudsonville, MI 49426

By: _____ Date: _____
Ann Skiles
278 Hope Avenue
Holland, MI 49423

By: _____ Date: _____
John Chester
162 E. 24th Street
Holland, MI 49423

By: _____ Date: _____
Robert Rietveld
298 VanRaalte Avenue
Holland, MI 49423

By: _____ Date: _____
Charles Willis
1413 Banbury Road
Kalamazoo, MI 49001

By: _____ Date: _____
Dale Lampen
3656 47th Street
Hamilton, MI 49419

By: _____ Date: _____
George Kleis
06951 112th Avenue – Rte#6
Holland, MI 49423

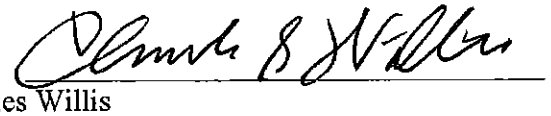
INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

By: Gerald Kariem Date: 1-28-15
Gerald Kariem, Regional Director
UAW Region 1D
3300 Leonard NE
Grand Rapids, MI 49525-1026

By: _____ Date: _____
Ann Skiles
278 Hope Avenue
Holland, MI 49423

By: _____ Date: _____
John Chester
162 E. 24th Street
Holland, MI 49423

By: _____ Date: _____
Robert Rietveld
298 VanRaalte Avenue
Holland, MI 49423

By:  Date: 1-16-2015
Charles Willis
1413 Banbury Road
Kalamazoo, MI 49001

By: _____ Date: _____
Dale Lampen
3656 47th Street
Hamilton, MI 49419

By: _____ Date: _____
George Kleis
06951 112th Avenue – Rte#6
Holland, MI 49423

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

By: _____ Date: _____
Gerald Kariem, Regional Director
UAW Region 1D
3300 Leonard NE
Grand Rapids, MI 49525-1026

By: _____ Date: _____

Ronald Clapp
3701 Byron Road
Hudsonville, MI 49426

By: Ann Skiles Date: 1-14-15

Ann Skiles
278 Hope Avenue
Holland, MI 49423

By: John Chester Date: 1-14-15

John Chester
162 E. 24th Street
Holland, MI 49423

By: Robert Rietveld Date: 1-14-15

Robert Rietveld
298 VanRaalte Avenue
Holland, MI 49423

By: _____ Date: _____

Charles Willis
1413 Banbury Road
Kalamazoo, MI 49001

By: [signature] Date: 1-14-15

Dale Lampen
3656 47th Street
Hamilton, MI 49419

By: George Kleis Date: 1-14-15

George Kleis
06951 112th Avenue – Rte#6
Holland, MI 49423

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

By: _____ Date: _____

Gerald Kariem, Regional Director
UAW Region 1D
3300 Leonard NE
Grand Rapids, MI 49525-1026

LOCAL UNION NO. 1402 OF THE INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

By: Sarah Koperski Date: _____

Sarah Koperski, President
UAW Local 1402

SAPA AS

By: _____ Date: _____

Tom Melbye Eide, General Counsel
Sapa AS
Biskop Gunnerus Gate 14 (Posthuset)
11th floor
Oslo, Norway

By: _____ Date: _____

Svein Tore Holsether, CEO
Sapa AS
Biskop Gunnerus Gate 14 (Posthuset)
11th floor
Oslo, Norway

SAPA AS

By: _____ Date: 29.12.2014

Name: TOM MELBYE EIDE
~~EVP GROUP GENERAL COUNSEL~~
Sapa Group

Sapa AS
Biskop Gunnerus Gate 14 (Posthuset)
11th floor
Oslo, Norway

By: _____ Date: 29 12 2014

Name: Magnus Hegnestad

Sapa AS
Biskop Gunnerus Gate 14 (Posthuset)
11th floor
Oslo, Norway

APPENDIX A

Hydro has agreed under Section VI of the Settlement Agreement to pay $315,000 to a trust account, maintained by Class Counsel, which shall be distributed (1) to Pre-November 8, 1990 Class Members for reimbursement of Monthly Prescription Drug Insurance Premium Charges; (2) as assistance to certain Post-November 8, 1990 and Eligibles Class Members who may have been faced with special circumstances; and (3) for payments of stipends to Class Representatives. Class Counsel and Class Representatives shall distribute this payment according to the following guidelines:

1. **Reimbursements for Pre-November 8, 1990 Class Members.**

a) The Reimbursement Fund. A fund of $280,000 shall be made available to Pre-November 8, 1990 Class Members for reimbursement of Monthly Prescription Drug Insurance Premium Charges. "Monthly Prescription Drug Insurance Premium Charge" is defined as 50% of the monthly cost of prescription drug insurance, which was charged to each Pre-1990 Class Member who was enrolled in the Hydro Plan for any month they were enrolled from June 2006 through February 2014. (Under the terms of this Settlement Agreement, Hydro has agreed to provide lifetime Retiree Health Benefits at the level provided in Section II.A., and, beginning in March 2014, to pay for the full cost of monthly prescription drug insurance for all Pre-1990 Class Members enrolled in the Hydro Plan. Thus there should be no Monthly Prescription Drug Coverage Premium Charge for any Pre-1990 Class Member enrolled in the Hydro Plan beginning in March 2014.)

The parties have worked together cooperatively to identify any Pre-November 8, 1990 Class Member who paid a Monthly Prescription Drug Coverage Premium Charge for any month from June 2006 through February 2014. If the Pre-November 8, 1990 Class Member died prior to March 1, 2014, or should die after March 1, 2014, but before the reimbursements are made, the parties have worked together and will continue to work together cooperatively to identify surviving spouses or legal heirs of any deceased Pre-November 8, 1990 Class Members, as well as any estates or wills, probated or otherwise valid, for Pre-November 8, 1990 Class Members.

b) Payments From the Reimbursement Fund. Payments ("Initial Reimbursement") shall be initially designated by Class Counsel, with the approval of the Class Representatives, based on the total estimated Monthly Prescription Drug Insurance Premium Charges for Pre-November 8, 1990 Class Members. This Initial Reimbursement shall be paid on a pro-rata basis to each surviving Pre-1990 Class Member, or if the Pre-November 8, 1990 Class Member has died, the surviving spouse of the deceased Pre-November 8, 1990 Class Member. If there is no surviving spouse of a deceased Pre-November 8, 1990 Class Member, the Initial Reimbursement may be paid to legal heirs as designated in any estate, whether open or closed, or probated or otherwise valid will for the deceased Pre-1990 Class Member. Class Representatives, with the advice of Class Counsel, shall have the discretion to determine where they have received no notice that a probate estate has been opened, the terms of any estate or valid will and any legal heirs designed therein, to determine whether a will is valid, and to make the payments of any Initial Reimbursement directly to any legal heirs designated therein.

Any monies remaining of the $280,000 initially designated for Initial Reimbursements which, in the discretion of Class Representatives, cannot be distributed under the above guidelines shall be re-allocated on a pro-rata basis in a second payment to each Pre-November 8, 1990 Class Member, surviving spouse, or legal heir to whom an initial reimbursement was successfully made under the above guidelines, but said second payment, together with the initial payment, shall not exceed a 100% reimbursement of the full amount of the total estimated Monthly Prescription Drug Insurance Premium Charge for each Pre-November 8, 1990 Class Member. Any funds remaining after a period of 180 days after the Final Effective Date shall be forwarded to the UAW for partial reimbursement of its costs in the litigation, and the negotiated approval and implementation of the Settlement Agreement.

2. **Special Circumstances Payments**. A Special Circumstances Fund of $23,500 shall be made available for application to by Post-November 8, 1990 and Eligibles Class Members who after cancellation of the health care insurance for the Post-November 8, 1990 Class Members, or upon retirement after April 1, 2009, found themselves unable to

obtain affordable health insurance coverage. Payments from this Special Circumstances Fund shall be used to reimburse Post-November 1990 and Eligibles Class Members who apply for such assistance for either (1) excessive medical expenses or (2) for excessive monthly health insurance premium charges. Determinations of eligibility for such payments shall be made by majority vote of the Class Representatives[2]. None of the Class Representatives shall be eligible to apply for payments from this Special Circumstances Fund. Any amounts remaining in this Special Circumstances Fund remaining after a period of 180 days after the Final Effective Date shall be forwarded to the UAW for partial reimbursement of its costs in the litigation, and the negotiation, approval and implementation of the Settlement Agreement.

Notice to apply for such payments shall be included in the notice contemplated in the proposed Notice Order to Class Members.

3. **Stipends.** Class Representatives Ann Skiles, Ronald Clapp, Robert Rietveld, John Chester, and the surviving spouse of former Class Representative Philip Sullivan on his behalf, or their estates or legal heir(s), shall each receive a stipend of $2,000. Class Representatives George Kleis, Dale Lampen and Charles Willis, or their estates or legal heir(s), shall each receive a stipend of $500. These stipends total $11,500. These stipends are for their valuable service to Class Members in the Hydro Litigation, the threatened *Hydro III* litigation and the negotiation of this Settlement Agreement.

4. **Accounting for the Distribution.** Class Counsel shall file an accounting of the distribution of the above amounts with the Court within thirty (30) days from the completion of the above. None of the undistributed funds set forth above shall be distributed to Class Counsel.

[2] If any claim involves the family member or legal heir(s) of a Class Representative, the Class Representative shall be recused from the consideration of that claim.

APPENDIX B

[CLASS MEMBER LIST TO BE ADDED PRIOR TO SENDING NOTICE TO CLASS MEMBERS VIA SUPPLEMENTAL FILING]

APPENDIX C

The Michigan Group Business Eligibility, Section 3: Dependent Requirements; and the Hydro Plan Summary of Benefits and Coverage, are attached as Appendix C.

MICHIGAN GROUP BUSINESS

ELIGIBILITY

SECTION 3: DEPENDENT REQUIREMENTS

DEPENDENT REQUIREMENTS

A dependent is defined as a person who is eligible for health care coverage on a subscriber's contract.

This section of the policy manual identifies the dependent eligibility requirements and consists of the following sub-sections:

1. REGULAR CONTRACT DEPENDENTS

- Subscriber's Spouse
- Dependent Children
- National Medical Support Notices (NMSN) and Children under Qualified Medical Child Support Orders (QMCSO)
- Principally Supported Children
- Disabled Children – Section 410 of Public Act 350
- Foreign Exchange Students

2. DEPENDENT RIDERS

- Family Continuation and Dependent Continuation Rider Coverage (PPACA exempt & deferral groups only)
- Certificate of Dental Coverage - Dependent Continuation (CDC-DC) Rider
- Sponsored Dependent Rider
- Domestic Partner Rider

DEPENDENT REQUIREMENTS

1. REGULAR CONTRACT DEPENDENTS

This section of the policy manual identifies the eligibility requirements for those individuals who are eligible as regular dependents under a subscriber's contract.

- A dependent is no longer eligible for coverage when the subscriber ceases to be eligible or enrolled for coverage.

- **Subscriber's Spouse**

  A subscriber's spouse is the legally married husband or wife of the subscriber.

- **Dependent Children**

  - **Patient Protection & Affordable Care Act (PPACA) Compliant Groups**

    Dependent children of the subscriber or subscriber's spouse are eligible for coverage through the end of the calendar year in which they turn age 26 provided the following requirement is met:

    - the child is related to the subscriber or subscriber's spouse by birth, marriage, legal adoption or legal guardianship (See also Membership Processing – Additions for enrollment guidelines).

    Note: Grandchildren (unless otherwise qualified under legal guardianship) and the spouse of a dependent child are not eligible for coverage under the subscriber's contract.

  - **PPACA Exempt and Deferral Groups**

    The guidelines below apply to the following groups:

    - Groups with stand alone dental or stand alone vision (no medical coverage with BCBSM or BCN).
    - Groups that qualify for and elect deferral of the near-term benefit mandates under PPACA
    - Retiree-only groups that choose not to implement PPACA near-term benefits as permitted under the law.

    Dependent children of the subscriber or subscriber's spouse are eligible for coverage through the end of the calendar year in which they turn age 19 provided the following requirements are met:

DEPENDENT REQUIREMENTS

1. REGULAR CONTRACT DEPENDENTS

- **Dependent Children Cont.**

  - **PPACA Exempt and Deferral Groups**

    – The child is related to the subscriber or subscriber's spouse by birth, marriage, legal adoption or legal guardianship (See also Membership Processing – Additions for enrollment guidelines).

    – The child is unmarried

    Note: Grandchildren (unless otherwise qualified under legal guardianship) and the spouse of a dependent child are not eligible for coverage under the subscriber's contract

- **National Medical Support Notices (NMSN) and Children under Qualified Medical Child Support Orders (QMCSO)**

  A NMSN is a standardized medical child support order that is used to enforce medical child support obligations. When a group (Plan Administrator) receives a NMSN they are required to determine whether it is a qualified medical child support order (QMCSO).

  If the group determines that it is a QMCSO, they must indicate so on the Plan Administrator Response section (located on Part B of the NMSN) and forward it to BCBSM along with the Enrollment Change of Status (ECOS) form for processing.

  – The group health plan must begin coverage "as of the earliest possible date" after the plan administrator determines that the NMSN is a QMCSO.

  – Children subject to a QMCSO must be allowed to enroll at any time regardless of the open enrollment period. BCBSM will enroll the children (and employee if necessary) as of the earliest possible date after receiving the group's notice that it has determined that the court order meets the requirements of a QMCSO.

DEPENDENT REQUIREMENTS

1. REGULAR CONTRACT DEPENDENTS

- **National Medical Support Notices (NMSN) and Children under Qualified Medical Child Support Orders (QMCSO) Cont.**

  – Michigan laws also require BCBSM and the group health plan to do the following when a child is the subject of a QMCSO:

  - Allow the child to be enrolled by the state agency or the custodial parent through the state agency if the non-custodial parent is enrolled but fails to apply for dependent coverage;

  - Not eliminate the child's coverage unless:

    1) required premiums have not been paid,

    2) there is written evidence that:
       a) the court or administrative order is no longer in effect; or
       b) the child is or will be enrolled in comparable health coverage that will take effect no later than the effective date of the cancellation of the existing coverage.

    3) the employer eliminates dependent health care for all its employees.

  ▪ **Rights for Custodial Parents**

  Michigan laws also require BCBSM and the group health plan to do the following for custodial parents whose children are the subject of a QMCSO:

  – Provide the custodial parent with information necessary for the child to obtain benefits through that coverage.

  – Accept claims submitted by the custodial parent or provider without the non-custodial parent's permission.

  – If applicable, reimburse or make payment on claims submitted by the custodial parent or medical provider for services obtained pursuant to the QMCSO.

DEPENDENT REQUIREMENTS

1. REGULAR CONTRACT DEPENDENTS

- **Principally Supported Children**

  Principally supported children are no longer eligible for coverage for new groups with effective dates of 01/01/11 and after. Existing groups may retain their principally supported members, but may not add any new members beginning 01/01/11.

  A principally supported child is one that is related to the subscriber by blood or marriage (for example, grandchild, niece, nephew) and is eligible as a dependent provided all of the following requirements are met:

  - The child is under 19 years of age.
  - The child is unmarried.
  - The child legally resides with the subscriber.
  - The child is not Medicare eligible.
  - The child was reported as a dependent on the subscriber's most recent federal income tax return. (If the child began living with the subscriber after the last tax return, the child must qualify in the current tax year for dependency status.)
  - The child has been principally supported by the subscriber for a minimum of nine consecutive months before coverage is effective.

- **Disabled Children – Section 410 of Public Act 350**

  - **Patient Protection & Affordable Care Act (PPACA) Compliant Groups**

    Eligible, enrolled dependent children that are disabled may remain on the subscriber's contract beyond the end of the calendar year in which they turn age 26, provided all of the following requirements are met:

    - The child is diagnosed as totally and permanently disabled due to a physical condition or mental retardation.
    - The child is incapable of self-sustaining employment.
    - The child became disabled prior to age 19.
    - The child is unmarried.
    - The child receives more than half of his/her support from the subscriber.

DEPENDENT REQUIREMENTS

1. REGULAR CONTRACT DEPENDENTS

- **Disabled Children – Section 410 of Public Act 350 Cont.**

  - **Patient Protection & Affordable Care Act (PPACA) Compliant Groups Cont.**

    – The child was reported as a dependent on the subscriber's most recent federal income tax return.

    – Physician certification verifying the child's disability and that it occurred prior to their 19th birthday must be submitted to us by the end of the calendar year in which the child turns age 26.

    Note: A dependent child whose only disability is a learning disability or substance abuse does not qualify for coverage as a disabled dependent under Section 410 of Public Act 350.

  - **PPACA Exempt and Deferral Groups**

    The guidelines below apply to the following groups:

    - Groups with stand alone dental or stand alone vision (no medical coverage with BCBSM or BCN).
    - Groups that qualify for and elect deferral of the near-term benefit mandates under PPACA
    - Retiree-only groups that choose not to implement PPACA near-term benefits as permitted under the law.

    Eligible, enrolled dependent children who are disabled may remain on the subscriber's contract beyond the end of the calendar year in which they turn age 19, provided all of the following requirements are met:

    – The child is diagnosed as totally and permanently disabled due to a physical condition or mental retardation.

    – The child is incapable of self-sustaining employment.

    – The child became disabled prior to age 19.

    – The child is unmarried.

    – The child receives more than half of his/her support from the subscriber

DEPENDENT REQUIREMENTS

1. REGULAR CONTRACT DEPENDENTS

- **Disabled Children – Section 410 of Public Act 350**
  - **PPACA Exempt and Deferral Groups Cont.**
    - The child was reported as a dependent on the subscriber's most recent federal income tax return.
    - Physician certification verifying the child's disability and that it occurred prior to their 19th birthday must be submitted prior to age 19 (or age 25 if enrolled under the FC, DC or DVC-FC rider)

    Note: A dependent child whose only disability is a learning disability or substance abuse does not qualify for coverage as a disabled dependent under Section 410 of Public Act 350.

- **Foreign Exchange Students**

  A foreign exchange student is ineligible for coverage as a dependent child on a subscriber's contract.

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

Below are the guidelines for dependent riders that a group may include in its coverage:

- **Family Continuation and Dependent Continuation Rider Coverage (PPACA Exempt and Deferral Groups only)**

  Family Continuation (FC) and Dependent Continuation (DC) rider coverage is not PPACA compliant and only available to the following groups:

  - Groups with the DVC-FC rider (only available to groups with stand alone dental or stand alone vision - no medical coverage with BCBSM or BCN).
  - Groups with the medical FC or DC rider that qualify for and elect deferral of the near-term benefit mandates under PPACA
  - Retiree-only groups with the medical FC or DC rider that choose not to implement PPACA near-term benefits as permitted under the law.

  Under these riders, coverage for dependent children is provided through the end of the calendar year in which they turn age 25, provided the subscriber continues to be enrolled and eligible for coverage, and all of the following requirements are met:

  - The child is between the ages of 19 and 25.
  - The child is unmarried.
  - The child resides with the subscriber unless he or she resides somewhere else temporarily (as in the case of college students).
  - The subscriber provides more than half of the child's support.
  - The child is related to the subscriber by birth, marriage, legal adoption, or legal guardianship.
  - The child is a full-time student for a minimum of five months of the year **OR** has gross income of less than four times the personal exemption amount identified under federal law.
  - BCBSM will continue coverage when a student takes a leave of absence from school or changes to part-time status due to a serious illness or injury. The continuation of coverage will last for up to one year after the first day of a medically necessary leave of absence (or change to part-time status), or the date on which coverage would otherwise terminate, whichever is earlier.

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

- **Family Continuation and Dependent Continuation Rider Coverage (PPACA Exempt and Deferral Groups only) Cont.**

  To qualify for continued coverage, the student's attending physician must certify in writing that the student's leave or change to part-time status is medically necessary and due to a serious illness or injury. BCBSM may require a copy of the certification upon request. The student must continue to meet all other BCBSM eligibility requirements for dependent continuation coverage.

- **Certificate of Dental Coverage - Dependent Continuation (CDC-DC) Rider**

  The CDC-DC rider is required for all groups subject to the Patient Protection and Affordable Care Act (PPACA) when they have medical and dental coverage. It is also required for stand alone dental groups that choose to comply with PPACA.

  Under this rider, dental coverage for dependent children is extended through the end of the calendar year in which they turn age 26, provided the subscriber continues to be enrolled and eligible for coverage, and the following requirement is met:

  – The child is related to the subscriber or subscriber's spouse by birth, marriage, legal adoption or legal guardianship (See also Membership Processing, Additions for enrollment guidelines).

  Note: Grandchildren (unless otherwise qualified under legal guardianship) and the spouse of a dependent child are not eligible for coverage under the subscriber's contract.

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

- **Sponsored Dependent Rider**

  The Sponsored Dependent Rider provides coverage for dependents of the subscriber when the group includes the rider in its coverage and the dependent meets all of the following requirements:

  – The dependent is over 19 years of age.

  – The dependent is not eligible for coverage as a regular dependent, or under the medical Family Continuation or Dependent Continuation riders.

  – The dependent legally resides with the subscriber.

  – The subscriber provides more than half of the support for the dependent.

  – The person qualified as a dependent on the subscriber's last tax return filed under the Internal Revenue Code of the United States.

  – The dependent is related to the subscriber by blood, marriage, or legal adoption.

  – Sponsored Dependents who are enrolled with Medicare must enroll with Medicare supplemental coverage unless the group's coverage is required to be primary under MSP laws (refer to Membership Processing 4-2).

  The Sponsored Dependent rider is a separate rate billed for each SD rider member on the subscriber's contract. Sponsored dependents are not eligible for Master Medical, Dental or Vision coverage.

  The Sponsored Dependent rider is only available to ERS groups with 100+ enrolled medical contracts and ASC groups.

- **Domestic Partner Rider**

  - **Domestic Partner Eligibility Requirements**

    Domestic partners are persons of the same gender who permanently reside together as each other's sole domestic partner. Coverage for a subscriber's same gender domestic partner and dependent children of the partner is available to group customers only when the Domestic Partner Rider is included in their coverage. **The Domestic Partner rider is not available to public employer underwritten (ERS and area rated) groups.**

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

- **Domestic Partner Rider**
  - **Domestic Partner Eligibility Requirements Cont.**

    All of the following requirements must also be met:

    – The domestic partners are 18 years of age or older.

    – Neither domestic partner is legally married.

    – The domestic partners are not related by blood in a manner that would bar legal marriage if they were not of the same gender.

    – The domestic partners have lived together for the past 12 consecutive months. The subscriber must furnish BCBSM with proof that the subscriber and domestic partners have lived together for this period of time.

      - Proof may be established by a driver's license, voter registration, student identification, city or county registration, rental or mortgage agreement or other specific documentation.

    – A signed and notarized Affidavit of Domestic Partnership is submitted to BCBSM with the application to add a domestic partner.

    Note: Opposite sex domestic partners are not eligible for coverage under the Domestic Partner rider.

  - **Domestic Partner Coverage Effective Date**

    Coverage takes effect 90 days after the date the application is approved. However, BCBSM will waive the 90-day waiting period in the following situations:

    1. In instances where the domestic partner (or the domestic partner and his or her children) had coverage with the group's former insurer, BCBSM will waive the 90-day waiting period at the initial enrollment of the group, if all of the following conditions are met:

       - The domestic partner can demonstrate that he or she (or the domestic partner and his or her children) had coverage under the group's prior health insurance carrier for at least 90 days prior to the effective date of the BCBSM coverage.

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

- **Domestic Partner Rider**

  - **Domestic Partner Coverage Effective Date (Cont.)**

    - The group authorizes waiver of the 90-day waiting period.

    - The domestic partner (or the domestic partner and his or her children) meets all other eligibility requirements, including the completion of a signed and notarized Affidavit of Domestic Partnership.

    - The application for coverage submitted by the group includes documentation that all of the above are met.

    Note: The waiver only applies to domestic partnerships that exist when BCBSM coverage becomes effective. Domestic partnerships that occur after the effective date of the BCBSM coverage will be subject to the 90-day waiting period, along with all other provisions of this rider.

    2. In instances where the domestic partner (or the domestic partner and his or her children) has lost eligibility for coverage under another health care plan, BCBSM will comply with special enrollment rights in the Health Insurance Portability and Accountability Act (HIPAA) and waive the 90-day waiting period if the following conditions are met:

    - The application submitted to BCBSM by the group must include a letter or other documentation from the dependent partner's former employer or insurance carrier verifying that the domestic partner is no longer eligible for coverage. (See also HIPAA Portability for requirements and exclusions).

    - The application must be submitted within 30 days of the HIPAA qualifying event.

    - The domestic partner (or the domestic partner and his or her children) must meet all other applicable eligibility requirements, including completion of a signed and notarized Affidavit of Domestic Partnership.

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

- **Domestic Partner Rider**
  - **Dependent Children of the Domestic Partner**
    - **Patient Protection & Affordable Care Act (PPACA) Compliant Groups**

      Dependent children of the domestic partner are eligible for coverage under the subscriber's contract through the end of the calendar year in which they turn age 26. Dependent children must also meet all of the following requirements:

      – They are related to the domestic partner by birth, legal adoption or legal guardianship.

      Note: Grandchildren (unless otherwise qualified under legal guardianship) and the spouse of a dependent child are not eligible for coverage under the subscriber's contract.

    - **PPACA Exempt and Deferral Groups**

      The guidelines below apply to the following groups:

      - Groups with stand alone dental or stand alone vision (no medical coverage with BCBSM or BCN).
      - Groups that qualify for and elect deferral of the near-term benefit mandates under PPACA.
      - Retiree-only groups that choose not to implement PPACA near-term benefits as permitted under the law.

      Dependent children of the domestic partner are eligible for coverage under the subscriber's contract through the end of the calendar year in which they turn age 19. Dependent children must also meet all of the following requirements:

      – They are related to the domestic partner by birth, legal adoption or legal guardianship.

      – They are unmarried.

      – They are the domestic partner's dependents as defined under the United States Internal Revenue Code.

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

- **Domestic Partner Rider**
  - **Dependent Children of the Domestic Partner**
    - **PPACA Exempt and Deferral Groups Cont.**
      - They are claimed as exemptions on the domestic partner's tax return.
      - They reside with the subscriber and domestic partner. If the dependent children do not reside with them, the medical care for the dependent children must be the domestic partner's legal responsibility (copy of court order required); and
      - The dependent children are dependent on the domestic partner for more than half of their support.

      Note: Grandchildren (unless otherwise qualified under legal guardianship) and the spouse of a dependent child are not eligible for coverage under the subscriber's contract

      Enrolled eligible dependent children of the domestic partner are eligible for coverage under the FC, DC, or DVC-FC riders provided they meet the eligibility requirements, the domestic partner continues to be enrolled and eligible, and the group includes one of these riders in its coverage. See Eligibility 3-8 & 3-9 for FC, DC and DVC-FC rider guidelines for PPACA exempt and deferral groups.
  - **Disabled Children of the Domestic Partner**
    - **PPACA Compliant Groups**

      Disabled, unmarried children of the subscriber's domestic partner may remain covered on the subscriber's contract beyond the end of the calendar year in which they turn age 26 provided the domestic partner remains enrolled and eligible for coverage and they meet all of the following eligibility requirements:
      - They are diagnosed as totally and permanently disabled due to a physical condition or mental retardation.
      - They are incapable of self-sustaining employment **and**
      - The disability began before their 19th birthday

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

- **Domestic Partner Rider**

  - **Disabled Children of the Domestic Partner Cont**

    – They receive more than half of their support from the domestic partner

    – The child was reported on the domestic partner's most recent federal income tax return

    – Physician certification verifying the child's disability and that it occurred prior to their 19th birthday must be submitted to us by the end of the calendar year in which the child turns age 26

    Note: A dependent child whose only disability is a learning disability or substance abuse does not qualify for coverage as a disabled dependent under Section 410 of Public Act 350.

  - **PPACA Exempt and Deferral Groups**

    The guidelines below apply to the following groups:

    - Groups with stand alone dental or stand alone vision (no medical coverage with BCBSM or BCN).
    - Groups that qualify for and elect deferral of the near-term benefit mandates under PPACA
    - Retiree-only groups that choose not to implement PPACA near-term benefits as permitted under the law.

    Disabled, unmarried children of the subscriber's domestic partner may remain covered on the subscriber's contract beyond the end of the calendar year in which they turn age 19 provided the domestic partner remains enrolled and eligible for coverage and they meet all of the following eligibility requirements:

    – They are diagnosed as totally and permanently disabled due to a physical condition or mental retardation.

    – They are incapable of self-sustaining employment **and**

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

- **Domestic Partner Rider**
  - **Disabled Children of the Domestic Partner**
    - **PPACA Exempt and Deferral Groups Cont.**
      - The disability began before their 19th birthday
      - They receive more than half of their support from the domestic partner
      - The child was reported on the domestic partner's most recent federal income tax return
      - Physician certification verifying the child's disability and that it occurred prior to their 19th birthday must be submitted prior to age 19 (or age 25 if enrolled under the FC, DC or DVC-FC rider)

    Note: A dependent child whose only disability is a learning disability or substance abuse does not qualify for coverage as a disabled dependent under Section 410 of Public Act 350

  - **Additional Domestic Partner Guidelines**
    - Only one domestic partner may be covered under a subscriber's contract at one time.
    - Coverage for the domestic partner and any dependent children of the domestic partner will terminate when the partnership ends.
    - Dependent children of the domestic partner will not be covered unless the domestic partner is covered under the subscriber's contract.
    - Coverage for the domestic partner and dependent children will terminate if the subscriber's coverage terminates.
    - Domestic partners are not eligible for surviving spouse coverage when this option is available under the subscriber's contract.
    - When termination of a partnership occurs, the subscriber must wait one year from the time the partner was removed from the subscriber's contract until adding another domestic partner (or the domestic partner and his or her children) to the contract.

DEPENDENT REQUIREMENTS

2. DEPENDENT RIDERS

- **Domestic Partner Rider**
  - **Additional Domestic Partner Guidelines**
    - When the domestic partner and/or dependent children become ineligible for group coverage they may be eligible for group conversion coverage; domestic partners and their dependent children are **not** eligible for COBRA coverage.
    - When group coverage ends, the subscriber and the domestic partner may be eligible for group conversion coverage but must obtain conversion coverage under separate contracts.

As a self-funded group, you are solely responsible for compliance with the federal Summary of Benefit and Coverage (SBC) rules, including SBC creation and distribution. BCBSM does not assume any responsibility for SBC rule compliance relating to your group health plan, or for creation or disclosure of compliant SBCs. This SBC template document is being provided as an example that may contain useful information concerning your BCBSM administered coverage as you create your own group health plan's SBC. This SBC template document being provided is not fully compliant with the SBC federal rules. It is your responsibility to work with your legal counsel to ensure proper compliance with the federal SBC rules. This SBC template document does not constitute legal, tax, actuarial, accounting, benefit design, compliance or other advice. BCBSM disclaims any liability or responsibility for any non-compliance by your group health plan with SBC rules and regulations relating to creation, disclosure or other requirements. You should also note that there may be additional special circumstances which may be applicable to your specific group health plan situation which may affect SBC content, including but not limited to account type arrangements such as flexible spending accounts (FSA), health reimbursement arrangements (HRA), and health savings accounts, (HSA), or for example, wellness programs, or coverage not administered by BCBSM, or whether the coverage provides minimum essential coverage. If you have an ASC Plan Modification, it may be defined here in only a limited way.

Sapa Precision Tubing Adrian, Inc

Note to ASC groups: Before completing this template, please reference the disclaimer on the attached cover page.

Coverage Period: Beginning on or after 01/01/2014

Summary of Benefits and Coverage: What this Plan Covers & What it Costs **Coverage for:** Individual/Family **Plan Type:** CMM

This is only a summary. If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document at www.bcbsm.com or by calling the number on the back of your BCBSM ID card.

Important Questions	Answers	Why this Matters:
What is the overall deductible?	$100 Individual/ $200 Family	You must pay all the costs up to the **deductible** amount before this plan begins to pay for covered services you use. Check your policy or plan document to see when the **deductible** starts over (usually, but not always, January 1st). See the chart starting on page 2 for how much you pay for covered services after you meet the **deductible**.
Are there other deductibles for specific services?	No.	You don't have to meet **deductibles** for specific services, but see the chart starting on page 2 for other costs for services this plan covers.
Is there an out-of-pocket limit on my expenses?	$1,100 Individual/ $1,200 Family	The **out-of-pocket limit** is the most you could pay during a coverage period (usually one year) for your share of the cost of covered services. This limit helps you plan for health care expenses.
What is not included in the out-of-pocket limit?	Premiums, balance-billed charges, any pharmacy penalty and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the **out-of-pocket limit**.
Is there an overall annual limit on what the plan pays?	No.	The chart starting on page 2 describes any limits on what the plan will pay for *specific* covered services, such as office visits.
Does this plan use a network of providers?	No.	This plan treats **providers** the same in determining payment for the same services.
Do I need a referral to see a specialist?	No.	You can see the **specialist** you choose without permission from this plan.
Are there services this plan doesn't cover?	Yes.	Some of the services this plan doesn't cover are listed on page 5. See your policy or plan document for additional information about **excluded services**.

Group Number 007022970-0002

Questions: Call the number on the back of your BCBSM ID card or visit us at www.bcbsm.com. If you aren't clear about any of the underlined terms used in this form, see the Glossary. You can view the Glossary at http://www.dol.gov/ebsa/pdf/SBCUniformGlossary.pdf or call the number on the back of your BCBSM ID card to request a copy.

- **Co-payments** are fixed dollar amounts (for example, $15) you pay for covered health care, usually when you receive the service.
- **Co-insurance** is *your* share of the costs of a covered service, calculated as a percent of the **allowed amount** for the service. For example, if the plan's **allowed amount** for an overnight hospital stay is $1,000, your **co-insurance** payment of 20% would be $200. This may change if you haven't met your **deductible**.
- The amount the plan pays for covered services is based on the **allowed amount**. If an out-of-network **provider** charges more than the **allowed amount**, you may have to pay the difference. For example, if an out-of-network hospital charges $1,500 for an overnight stay and the **allowed amount** is $1,000, you may have to pay the $500 difference. (This is called **balance billing**)
- Your cost sharing does not depend on whether a **provider** is in network.

Common Medical Event	Services You May Need	Your cost if you use a	Limitations & Exceptions
If you visit a health care provider's office or clinic	Primary care visit to treat an injury or illness	20% co-insurance after deductible	---none---
	Specialist visit	20% co-insurance after deductible	---none ---
	Other practitioner office visit	20% co-insurance after deductible for Chiropractic and osteopathic manipulative therapy	Limited to a combined maximum of 38 visits per member per calendar year for chiropractic and osteopathic manipulative therapy
	Preventive care/screening/immunization	No Charge	---none---
If you have a test	Diagnostic test (x-ray, blood work)	20% co insurance after deductible	---none---
	Imaging (CT/PET scans, MRIs)	20% co-insurance after deductible	---none---
If you need drugs to treat your illness or condition Some plans may have a separate out of pocket maximum for prescription drug coverage, for more information please contact your plan administrator	Generic or prescribed over-the-counter drugs	$0 co-pay for 30-day retail supply; $0 co-pay for 90-day mail	For information on women's contraceptive coverage, contact your plan administrator 90-day supply not covered out-of-network Specialty drugs limited to a 30-day supply per fill
	Formulary (preferred) brand-name drugs	$0 co-pay for 30-day retail supply; $0 co-pay for 90-day mail	90-day supply not covered out-of-network. Specialty drugs limited to a 30-day supply per fill
	Nonformulary (nonpreferred) brand-name drugs	$0 co-pay for 30-day retail supply, $0 co-pay for 90-day mail	90-day supply not covered out-of-network Specialty drugs limited to a 30-day supply per fill

Common Medical Event	Services You May Need	Your cost if you use a	Limitations & Exceptions
If you have outpatient surgery	Facility fee (e.g., ambulatory surgery center)	20% co-insurance after deductible	---none---
	Physician/surgeon fees	20% co-insurance after deductible	---none---
If you need immediate medical attention	Emergency room services	20% co-insurance after deductible	none -
	Emergency medical transportation	20% co insurance after deductible	---none---
	Urgent care	20% co-insurance after deductible	---none---
If you have a hospital stay	Facility fee (e.g., hospital room)	20% co-insurance after deductible	---none---
	Physician/surgeon fee	20% co-insurance after deductible	---none---
If you have mental health, behavioral health, or substance abuse needs	Mental/Behavioral health outpatient services	20% co-insurance after deductible	---none---
	Mental/Behavioral health inpatient services	20% co-insurance after deductible	-- none--
	Substance use disorder outpatient services	20% co-insurance after deductible	---none---
	Substance use disorder inpatient services	20% co-insurance after deductible	---none---
If you are pregnant	Prenatal and postnatal care	Prenatal No Charge Postnatal: 20% co-insurance after deductible	---none---
	Delivery and all inpatient services	20% co insurance after deductible	---none---
If you need help recovering or have other special health needs	Home health care	20% co-insurance after deductible	---none---
	Rehabilitation services	20% co-insurance after deductible	-- none--
	Habilitation services	Not Covered	---none---

Common Medical Event	Services You May Need	Your cost if you use a	Limitations & Exceptions
	Skilled nursing care	Not Covered	---none---
	Durable medical equipment	20% co insurance after deductible	---none---
	Hospice service	No Charge	---none---
If your child needs dental or eye care For more information on pediatric vision or dental, contact your plan administration	Eye exam	Not Covered	none
	Glasses	Not Covered	---none---
	Dental check-up	Not Covered	--none- -

Excluded Services & Other Covered Services:

Services Your Plan Does NOT Cover (This isn't a complete list. Check your policy or plan document for other excluded services.)

- Acupuncture
- Cosmetic surgery
- Dental care (Adult)
- Hearing aids
- Infertility treatment
- Long-term care
- Routine eye care (Adult)
- Routine foot care
- Weight loss programs

Other Covered Services (This isn't a complete list. Check your policy or plan document for other covered services and your costs for these services.)

- Bariatric surgery
- Chiropractic Care
- Coverage provided outside the United States. See http://provider.bcbs.com
- If you are also covered by an account-type plan such as an integrated health flexible spending arrangement (FSA), health reimbursement arrangement (HRA), and/or a health savings account (HSA), then you may have access to additional funds to help cover certain out-of-pocket expenses – like the deductible, co-payments, or co-insurance, or benefits not otherwise covered
- Non-Emergency care when traveling outside the U.S
- Private-duty nursing

Your Rights to Continue Coverage:

If you lose coverage under the plan, then, depending upon the circumstances, Federal and State laws may provide protections that allow you to keep health coverage. Any such rights may be limited in duration and will require you to pay a **premium**, which may be significantly higher than the premium you pay while covered under the plan. Other limitations on your rights to continue coverage may also apply.

For more information on your rights to continue coverage, contact the plan at the number on the back of your BCBSM ID card. You may also contact your state insurance department, the U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-3272 or www.dol.gov/ebsa, or the U.S. Department of Health and Human Services at 1-877-267-2323 x61565 or www.cciio.cms.gov.

Your Grievance and Appeals Rights:

If you have a complaint or are dissatisfied with a denial of coverage for claims under your plan, you may be able to **appeal** or file a **grievance**. For questions about your rights, this notice, or assistance, you can contact Blue Cross®and Blue Shield®of Michigan by calling the number on the back of your BCBSM ID card. Or, you can contact Michigan Office of Financial and Insurance Regulation at **www.michigan.gov/ofir** or 1-877-999-6442. For group health coverage subject to ERISA, you may also contact Employee Benefits Security Administration at 1-866-444-EBSA (3272).

Does this Coverage Provide Minimum Essential Coverage?

The Affordable Care Act requires most people to have health care coverage that qualifies as "minimum essential coverage." This plan or policy does provide minimum essential coverage.

Does this Coverage Meet the Minimum Value Standard?

In order for certain types of health coverage (for example, individually purchased insurance or job-based coverage) to qualify as minimum essential coverage, the plan must pay, on average, at least 60 percent of allowed charges for covered services. This is called the "minimum value standard." This health coverage does meet the minimum value standard for the benefits it provides. (IMPORTANT: Blue Cross Blue Shield of Michigan is assuming that your coverage provides for all Essential Health Benefit (EHB) categories as defined by the State of Michigan. The minimum value of your plan may be affected if your plan does not cover certain EHB categories, such as prescription drugs, or if your plan provides coverage of specific EHB categories, for example prescription drugs, through another carrier. In these situations you will need to contact your plan administrator for information on whether your plan meets the minimum value standard for the benefits it provides.)

Language Access Services

For assistance in a language below please call the number on the back of your BCBSM ID card.

SPANISH (Español): Para ayuda en español, llame al número de servicio al cliente que se encuentra en este aviso ó en el reverso de su tarjeta de identificación.

TAGALOG (Tagalog): Para sa tulong sa wikang Tagalog, mangyaring tumawag sa numero ng serbisyo sa mamimili na nakalagay sa likod ng iyong pagkakakilanlan kard o sa paunawang ito.

CHINESE (中文): 要获取中文帮助，请致电您的身份识别卡背面或本通知提供的客户服务 号码。

NAVAJO (Dine): Taa'dineji'keego shii'kaa'ahdool'wool ninizin'goo, beesh behane'e naal'tsoos bikii sin'dahiigii binii'deehgo eeh'doodago di'naaltsoo bikaiigii bichi'hoodillnii.

To see examples of how this plan might cover costs for a sample medical situation, see the next page.

About these Coverage Examples:

These examples show how this plan might cover medical care in given situations. Use these examples to see, in general, how much financial protection a sample patient might get if they are covered under different plans.

This is not a cost estimator.

Don't use these examples to estimate your actual costs under this plan. The actual care you receive will be different from these examples, and the cost of that care will also be different.

See the next page for important information about these examples.

Please note: Coverage examples are calculated based on individual coverage.

Having a baby
(normal delivery)

- **Amount owed to providers:** $7,540
- **Plan pays** $6,290
- **Patient pays** $1,250

Sample care costs:

Hospital charges (mother)	$2,700
Routine obstetric care	$2,100
Hospital charges (baby)	$900
Anesthesia	$900
Laboratory tests	$500
Prescriptions	$200
Radiology	$200
Vaccines, other preventive	$40
Total	**$7,540**

Patient pays:

Deductibles	$100
Co-pays	$0
Co-insurance	$1,000
Limits or exclusions	$150
Total	**$1,250**

Managing type 2 diabetes
(routine maintenance of a well-controlled condition)

- **Amount owed to providers:** $5,400
- **Plan pays** $4,680
- **Patient pays** $720

Sample care costs:

Prescriptions	$2,900
Medical Equipment and Supplies	$1,300
Office Visits and Procedures	$700
Education	$300
Laboratory tests	$100
Vaccines, other preventive	$100
Total	**$5,400**

Patient pays:

Deductibles	$100
Co-pays	$80
Co-insurance	$460
Limits or exclusions	$80
Total	**$720**

Questions and answers about the Coverage Examples:

What are some of the assumptions behind the Coverage Examples?

- Costs don't include **premiums**.
- Sample care costs are based on national averages supplied by the U.S. Department of Health and Human Services, and aren't specific to a particular geographic area or health plan.
- The patient's condition was not an excluded or preexisting condition.
- All services and treatments started and ended in the same coverage period.
- There are no other medical expenses for any member covered under this plan.
- Out-of-pocket expenses are based only on treating the condition in the example.
- The patient received all care from in-network **providers**. If the patient had received care from out-of-network **providers**, costs would have been higher.

What does a Coverage Example show?

For each treatment situation, the Coverage Example helps you see how **deductibles**, **co-payments**, and **co-insurance** can add up. It also helps you see what expenses might be left up to you to pay because the service or treatment isn't covered or payment is limited.

Does the Coverage Example predict my own care needs?

✖ **No.** Treatments shown are just examples. The care you would receive for this condition could be different, based on your doctor's advice, your age, how serious your condition is, and many other factors.

Does the Coverage Example predict my future expenses?

✖ **No.** Coverage Examples are **not** cost estimators. You can't use the examples to estimate costs for an actual condition. They are for comparative purposes only. Your own costs will be different depending on the care you receive, the prices your **providers** charge, and the reimbursement your health plan allows.

Can I use Coverage Examples to compare plans?

✓ **Yes.** When you look at the Summary of Benefits and Coverage for other plans, you'll find the same Coverage Examples. When you compare plans, check the "Patient Pays" box in each example. The smaller that number, the more coverage the plan provides.

Are there other costs I should consider when comparing plans?

✓ **Yes.** An important cost is the **premium** you pay. Generally, the lower your **premium**, the more you'll pay in out-of-pocket costs, such as **co-payments**, **deductibles**, and **co-insurance**. You should also consider contributions to accounts such as health savings accounts (HSAs), flexible spending arrangements (FSAs) or health reimbursement accounts (HRAs) that help you pay out-of-pocket expenses.

Questions: Call the number on the back of your BCBSM ID card or visit us at www.bcbsm.com. If you aren't clear about any of the underlined terms used in this form, see the Glossary. You can view the Glossary at http://www.dol.gov/ebsa/pdf/SBCUniformGlossary.pdf or call the number on the back of your BCBSM ID card to request a copy.